Government of Saskatchewan

This information is provided as a resource by Saskatchewan Agriculture staff.
All prices are in Canadian dollars unless otherwise noted.
Please use this information at your own risk.

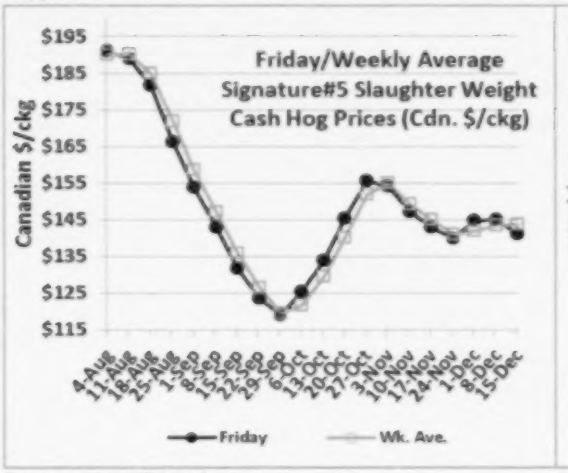
Weekly Hog Report

December 18, 2017

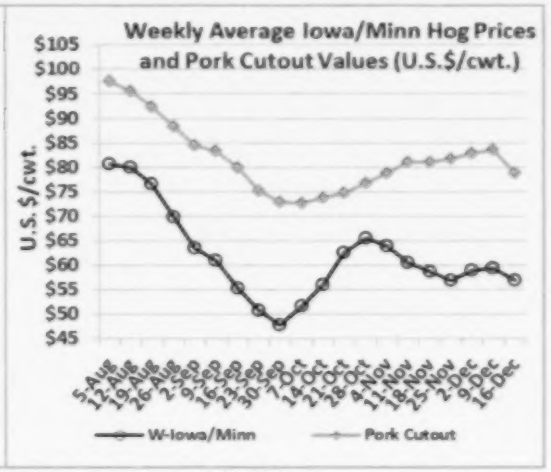
This is the final edition of the Weekly Hog Report for 2017.
The report will resume on January 15, 2018. Happy Holidays everyone!

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) edged lower last week with prices declining, week-over- week. Hog prices on Friday December 15 averaged US$55.93 per cwt, down US$3.37 per cwt or 5.7 per cent from US$59.30 per cwt the previous Friday. The negotiated weekly base price last week averaged US$56.84 per cwt, down US$2.41 per cwt or 4.1 per cent from US$59.25 per cwt the previous week.



Source: HAMS Marketing

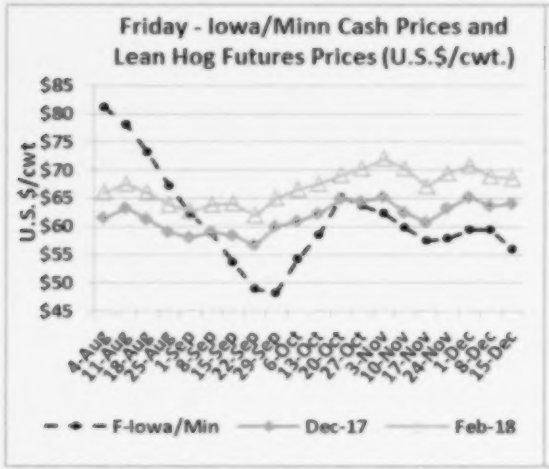


Source: LMIC, CME

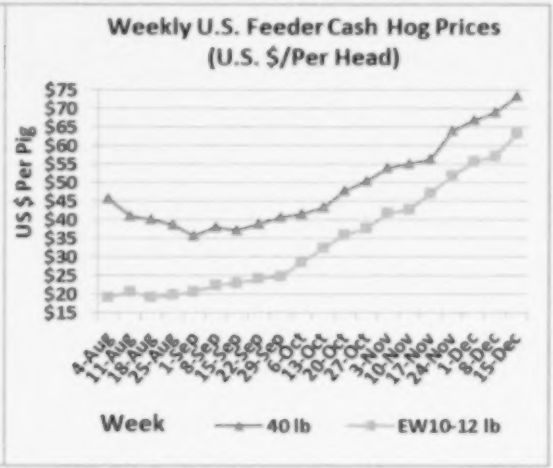
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday December 15, 2017 was $141.11 per ckg, down $3.72 per ckg from $144.83 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $143.62 per ckg, up slightly from the previous weeks' average price of $143.60 per ckg. The Canadian dollar compared to the U.S. dollar settled last Friday at 77.92 cents, up 0.16 cents from 77.76 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed over the week with overall small changes for the nearby contracts. The nearby December contract increased US$0.350 per cwt to expire last Thursday at US$64.025 per cwt; while the February 2018 contract declined US$0.325 per cwt to settle last Friday at US$68.525 per cwt.



Source: LMIC



Source: USDA

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices had strong gains last week to help weekly average prices move higher. Weighted average cash prices for iso-weans (12lb) last week were US$63.23 per head, up US$6.16 per head or 10.8 per cent from US$57.07 per head the previous week. Feeders (40lb) averaged US$73.37 per head, up US$4.53 per cwt or 6.7 per cent from US$68.83 per head, the previous week.

Iowa cash corn prices settled Friday at US$3.04 per bushel, down four cents from US$3.08 per bushel the previous Friday. Daily corn futures were primarily lower last week with bigger losses Monday to lead prices lower, weak-over-week. The December corn contract declined 3 ¾ cents to expire last Thursday at US$3.36 ¼ per bushel. The March corn contract declined 5 ¼ cents to settle last Friday at US$3.47½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending December 15 were estimated at 2.578 million head, up 1.6 per cent from 2.537 million head the previous week, and up 2.8 per cent from 2.507 million head the same week a year ago. Weekly hog slaughter numbers achieved new all-time record highs last week, breaking the last record two weeks ago. New hog slaughter capacity in the U.S. has enabled weekly hog slaughter numbers to move higher. Weekly U.S. hog slaughter numbers over the last eight weeks have averaged 2.468 million head, up 0.9 per cent from 2.447 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Dec. 9, 2017 were estimated at 447,059 head, down 1.7 per cent from 454,762 head the previous week, but up 2.9 per cent from 434,495 head the same week a year ago. Canadian hog slaughter numbers over the last eight weeks averaged 445,101 head, down slightly from 445,955 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 20,449,298 head, up 1.4 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending December 16, 2017 was estimated at 550.5 million lb., up 1.9 per cent from 540.0 million lb. the previous week, and up 4.3 per cent from 527.6 million lb. the same week a year ago. Pork production established new record all-time highs and were at record levels two of the last three weeks. Pork production over the last eight week's ending December 16 was estimated to average 525.3 million lb., up 1.6 per cent from 517.1 million lb. over the same four week period a year ago.

U.S. beef production for the week ending December 16 was estimated at 524.7 million lb., down 0.3 per cent from 526.1 million lb. the previous week, but up 3.4 per cent from 507.3 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending December 9, 2017, was estimated to average 2.121 billion lb., up 1.8 per cent from 2.083 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.2 per cent compared to the same period in 2016.

United States Weekly Meat Production

(Dec. 9) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	511.4	518.1	1.3%	2.7%
Beef	505.2	518.6	2.6%	4.0%
Chicken	939.1	961.2	2.4%	1.3%
Turkey	127.0	122.6	-3.5%	0.0%
Total	**2,082.7**	**2,120.5**	**1.81%**	**2.19%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending December 16, 2017 averaged US$78.84 per cwt, down US$4.83 per cwt or 5.8 per cent from US$83.67 per cwt the previous week; but up 2.7 per cent from US$76.78 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending December 16, 2017 averaged US$203.00 per cwt over the week, down US$3.87 per cwt from US$206.87 per cwt the previous week, but up 5.7 per cent from US$192.05 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending December 16, 2017 averaged US$103.83 per cwt, up US$2.03 per cwt or 2.0 per cent from US$101.80 per cwt the previous week, and up 5.6 per cent from US$98.34 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

The December USDA WASDE report revised the 2017 United States Red Meat and Poultry production 0.3 per cent lower to 100.155 billion lb. from the November estimates. United States meat production for 2017 are estimated to be 2.6 per cent higher compared to 2016. Leading the way in meat production increases in 2017 (by percent) are projected to come from beef (+4.3%), pork (+2.5%) and broilers (+2.1%).

Pork production estimates for 2017 were estimated at 25.560 billion lb. in the December estimates, down 0.70 per cent from the November estimates. Pork production estimates were reduced from the previous month on lower than projected hog slaughter numbers this quarter.

USDA December World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2014	**Annual**	**24,252**	**22,843**	**38,550**	**5,756**	**92,171**
2015	**Annual**	**23,698**	**24,501**	**40,048**	**5,627**	**94,630**
2016	**Annual**	**25,221**	**24,941**	**40,695**	**5,981**	**97,612**
% Chg.	**2015-2016**	**6.43%**	**1.80%**	**1.62%**	**6.29%**	**3.15%**
2017	Nov. Proj.	26,400	25,740	41,540	5,997	100,430
2017	**Dec. Proj.**	**26,305**	**25,560**	**41,541**	**5,997**	**100,155**
% Chg.	Nov. to Dec.	-0.36%	-0.70%	0.00%	0.00%	-0.27%
% Chg.	**2016 to 2017**	**4.30%**	**2.48%**	**2.08%**	**0.27%**	**2.61%**

Source: USDA December WASDE Report, December 12, 2017

U.S. Red Meat and Poultry production for 2018 is expected to further increase from the current 2017 projections by an estimated 3.4 billion lb. (+3 per cent) to reach 103.6 billion lb. of meat production. Pork production is projected to lead the way in 2018 with increases of 5.3 per cent, followed by beef (+4.9 per cent), and broilers (+1.8 per cent). (Source: USDA WASDE)

United States current corn crop projections for December were unchanged from the earlier November estimates of 14.578 billion bushels. U.S. corn production estimates were down 570 million bushels or 3.8 per cent from the previous year. The noticeable change from the November reports were that domestic corn usage increased by 50 million bushels leaving the ending corn stocks 2.0 per cent lower at 2.437 billion bushels; down from 2.487 billion bushels in the November estimates.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca